



Democratic Policy Committee  
United States Senate  
Washington, D.C. 20510-7050  
Byron Dorgan, Chairman

# DEMOCRATIC POLICY COMMITTEE

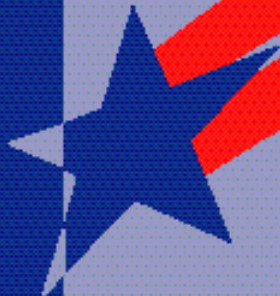
June 28, 2000

Publication: SR-59-Health Care

SPECIAL  
REPORT

## **Rhetoric vs. Reality: Republicans and Democrats on Medicare Prescription Drug Coverage**

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# **Rhetoric vs. Reality: Republicans and Democrats on Medicare Prescription Drug Coverage**

Recent polls and focus groups have suggested to Republicans that a prescription drug benefit for Medicare — long championed by Democrats — is a top priority for the American people. In response, Republicans have adopted a strategy of blurring the lines between Democrats and Republicans on support for a Medicare prescription drug benefit.

Democrats know there are few gray areas when it comes to the positions of Democrats and Republicans on access to prescription drugs for our nation's seniors. Indeed, the differences are black and white: Democrats have fought for immediate passage of a real Medicare prescription drug benefit, only to have their efforts repeatedly blocked by Republicans.

## **Prescription Drug Proposals: Democrats vs. Republicans**

Democrats are committed to passing legislation creating a Medicare prescription drug benefit that is voluntary, accessible and affordable to all beneficiaries, and designed to provide meaningful protections and bargaining power for seniors. Senate Republicans have no prescription drug plan, and argue that the issue needs more study. At the insistence of Democrats, the Senate first considered a meaningful prescription drug bill on June 22, 2000. Only two Republicans joined Democrats in voting for the bill.

## **What Republican Focus Groups Said About a Prescription Drug Benefit**

House Republicans decided to draft a bill only after hearing the following from their focus groups:

- “Republicans aren’t doing anything to help seniors.”
- “Upset seniors don’t believe politicians (especially Republicans) understand how important and concerning this issue is to them.”
- “Republicans are in the back pocket of HMOs, insurance companies, and pharmaceutical companies. Republicans are out to protect these special interests, not the real interests of senior citizens.”

*From: “A Presentation On: A Prescription Drug Plan For Stronger Medicare, The House Republican Conference,” presented by Public Opinion Strategies, June 8, 2000.*

**Compared to the Democratic bill, the House GOP plan comes up short.** House Republicans have introduced a Medicare prescription drug bill that would not meet the needs of seniors.

	Senate Democratic Bill	House GOP Plan
Available to all seniors in all regions of the country	✓	x
Universal Medicare benefit	✓	x
Meaningful, reliable benefit with guaranteed access to needed drugs and local pharmacies	✓	x
Protections against high drug costs	✓	x
Who benefits?	Seniors	Drug Companies

**The Senate Democrats’ *Medicare Expansion for Needed Drugs (MEND) Act* would create a universal but voluntary prescription drug benefit in the Medicare program.** The benefit is designed to assist the 3 out of 5 Medicare beneficiaries who lack dependable, affordable prescription drug coverage, provide coverage for catastrophic drug costs, and give seniors the bargaining power that they lack today.

**The House Republican plan is unaffordable for seniors.** Under the GOP plan, seniors with incomes above \$12,500 would receive no direct assistance.

**The House Republican plan leaves out the protections seniors need most.** The Republican plan does not provide bargaining power for seniors. Also, under the plan, seniors may lose access to their local pharmacies and may be restricted to a narrow list of drug options determined by insurance and pharmaceutical companies.

**The Republican plan does not provide a *Medicare* benefit available to all beneficiaries — instead it relies on insurance companies and HMOs.** The GOP proposal builds on failed Medigap insurance, and insurance companies have already said they won’t even offer the GOP policies.

**The GOP plan subsidizes insurance companies, not Medicare beneficiaries.** Under the GOP bill, insurance companies would receive cash subsidies. These subsidies may help the insurance companies but will not directly help Medicare beneficiaries.

**The GOP plan does not provide a guaranteed, defined benefit.** Under the Republican plan, seniors won't know how much they'll pay, what benefit they'll get, or whether their benefit will change or disappear from year to year. Also, the benefit could differ from plan to plan and place to place, which only reinforces the status quo.

**Health insurance companies continue to say the House GOP bill is unworkable.**

*"...we continue to believe the concept of the so-called drug-only private insurance simply would not work in practice."* [Charles N. Kahn, President, Health Insurance Association of America (a group comprised of 294 insurance companies), *Associated Press*, June 13, 2000]

*"I don't know of an insurance company that would offer a drug-only policy like that or even consider it."* [Charles N. Kahn, President, Health Insurance Association of America (a group comprised of 294 insurance companies), *The New York Times*, February 21, 2000]

*"I'm convinced that stand-alone drug policies won't work."* [Cecil D. Bykerk, Executive Vice President and Chief Actuary, Mutual of Omaha Companies, *The New York Times*, February 21, 2000]

Democrats are committed to ensuring that Medicare meets the needs of older Americans. Medicare beneficiaries — the people who rely on prescription drugs the most — lack adequate coverage for needed therapies. The Medicare program should include coverage for prescription drugs. Democrats stand by their commitment to older Americans and are working to establish a voluntary, affordable and accessible Medicare prescription drug benefit.